

AMENDED IN SENATE APRIL 22, 1996

AMENDED IN SENATE APRIL 11, 1996

**SENATE BILL**

**No. 1692**

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**Introduced by Senator Petris**

February 21, 1996

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An act to amend Section 214.14 of the Revenue and Taxation Code, relating to taxation, to take effect immediately, tax levy.

LEGISLATIVE COUNSEL'S DIGEST

SB 1692, as amended, Petris. Property taxation: welfare exemption: museums.

Existing property tax law establishes a welfare exemption under which property is exempt from taxation if, among other things, that property is used exclusively for religious, hospital, scientific, or charitable purposes and is owned and operated by an entity, as provided, that is itself organized and operated for those purposes. Existing law also provides that property used exclusively for the charitable purposes of museums and owned and operated by a religious, hospital, scientific, or charitable fund, foundation, or corporation meeting specified requirements shall be deemed to be within the welfare exemption.

This bill would further provide that property used exclusively for the charitable purposes of museums shall include property owned ~~and used~~ by a nonprofit association or organization performing auxiliary services to any city or county museum in the state, ~~including property and~~ used for the storage of items donated for an annual rummage sale, the

proceeds of which, after taking into account the expenses of the nonprofit association or organization, are used to provide support to those museums.

Section 2229 of the Revenue and Taxation Code requires the Legislature to reimburse local agencies annually for certain property tax revenues lost as a result of any exemption or classification of property for purposes of ad valorem property taxation.

This bill would provide that, notwithstanding Section 2229 of the Revenue and Taxation Code, no appropriation is made and the state shall not reimburse local agencies for property tax revenues lost by them pursuant to the bill.

This bill would take effect immediately as a tax levy.

Vote: majority. Appropriation: no. Fiscal committee: yes. State-mandated local program: yes.

*The people of the State of California do enact as follows:*

1 SECTION 1. Section 214.14 of the Revenue and  
2 Taxation Code is amended to read:

3 214.14. Property used exclusively for the charitable  
4 purposes of museums and owned and operated by a  
5 religious, hospital, scientific, or charitable fund,  
6 foundation, or corporation which meets all the  
7 requirements of subdivision (a) of Section 214 shall be  
8 deemed to be within the exemption provided by Sections  
9 4 and 5 of Article XIII of the California Constitution and  
10 Section 214. For purposes of this section:

11 (a) Property used exclusively for the charitable  
12 purposes of museums shall include property used for  
13 activities and facilities related to the primary charitable  
14 purposes of museums and reasonably necessary and  
15 incidental to those purposes.

16 (b) Property used exclusively for the charitable  
17 purposes of museums shall not be required to be  
18 indispensable to the primary charitable purposes of  
19 museums.

20 (c) Property used exclusively for the charitable  
21 purposes of museums shall not include property used for  
22 activities and facilities not related to the primary

1 charitable purposes of museums and not reasonably  
2 necessary or incidental to those purposes.

3 (d) Property used exclusively for the charitable  
4 purposes of museums shall include property owned—and  
5 ~~used~~ by a nonprofit association or organization  
6 performing auxiliary services to any city or county  
7 museum in the state,—including property *and* used for the  
8 storage of items donated for an annual rummage sale, the  
9 proceeds of which, after taking into account the expenses  
10 of the nonprofit association or organization, are used to  
11 provide support to those museums. For purposes of this  
12 subdivision, “storage of items donated for an annual  
13 rummage sale” shall not be considered a “fundraising  
14 activity,” as that term is used in paragraph (3) of  
15 subdivision (a) of Section 214.

16 SEC. 2. Notwithstanding Section 2229 of the Revenue  
17 and Taxation Code, no appropriation is made by this act  
18 and the state shall not reimburse any local agency for any  
19 property tax revenues lost by it pursuant to this act.

20 SEC. 3. This act provides for a tax levy within the  
21 meaning of Article IV of the Constitution and shall go into  
22 immediate effect.